MEMORANDUM

CC-26-169

Resolution 26-058, a Resolution of the City Council of Homer, Alaska Urging the Federal Communications Commission (FCC) to Maintain the E-rate Program as Currently Constituted

Item Type:	Action Memorandum,
Prepared For:	Mayor Lord and Homer City Council
Date:	August 26, 2026
From:	Dave Berry, Library Director
Through:	Melissa Jacobsen, City Manager

SUMMARY:
The e-rate program subsidizes internet service at public libraries and schools all across America, including 70% of internet costs at the Homer Public Library and the Kenai Peninsula Borough School District. The Federal Communications Commission (FCC) is considering changes which would scale back or eliminate the program altogether.

BACKGROUND:
In the Telecommunications Act of 1996, Congress recognized that many Americans would have no online connectivity unless community institutions provided it. Among other things, the Act directed the FCC to come up with a system for connecting public libraries and schools to the internet.

A year later, the FCC created the e-rate program, which doles out funding to libraries and schools to pay for internet service. E-rate pays for 70% of the internet costs at the Homer Public Library, which amounts to $11,970 annually that would otherwise fall on the City of Homer. It also funds 70% of internet costs for the Kenai Peninsula Borough School District. Between 2021 and 2025, e-rate provided $806 million to Alaska as a whole.

E-rate derives its funding from the Universal Service Fund (USF), a monthly charge attached to every phone bill in the United States. This charge has come under repeated criticism over the years. Opponents have attacked it on several grounds, but courts (including the Supreme Court) have rejected these arguments on the grounds that e-rate is a clearly-defined and highly effective program which serves the purpose Congress intended.

CURRENT DEVELOPMENTS:

The program is now under attack again. Opponents are urging the FCC to make changes to the rules that would either abolish e-rate altogether or at least scale it back to serve only rural areas. There are two lines of argument:

1. That e-rate has successfully connected libraries and schools all over the country, and thus is no longer needed, and
2. That children spend too much time in front of screens, and restricting internet access is therefore good for them.

At its public meeting on June 25, 2026, the FCC voted to move forward with the proposed rule changes. Public comment is open until Oct. 13 and can be submitted through the E-Rate Comment Compass (https://e-ratecentral.com/compass/E-Rate_Comment_Compass_Landing_Page.html). If enacted, the changes would take effect sometime in 2027. FCC 26-41A1: Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking can be found in its entirety at the FCC Website (https://docs.fcc.gov/public/attachments/FCC-26-41A1.pdf).

STAFF COMMENTS:

Internet service is an ongoing cost, which requires ongoing support. Abolishing a successful program *because* it has been successful makes no sense. Once you eliminate success, what you're left with is failure.

As for the screen-time argument, I strongly suggest that such decisions should be left to families, not public institutions. Cutting off publicly-provided internet service merely widens the divide between families with home internet and those without, as we witnessed during the pandemic. Furthermore, such a policy hits adults as hard as youth.

RECOMMENDATION:

Urge the Federal Communications Commission not to make any changes in the current structure of the e-rate program.

ATTACHMENTS:

Award Letter from E-rate to Homer Public Library for the current fiscal year
E-Rate Funding by State (2021-25)

May 2, 2026

Funding Commitment Decision Letter

Funding Year 2026

Contact Information:
David Berry
HOMER PUBLIC LIBRARY
500 HAZEL AVE
HOMER, AK 99603
dberry@ci.homer.ak.us

FCC Form 471: 261002465

BEN: 145578
Wave: 1
Application Nickname: Homer Public Library--Form 471--FY2026

Totals

Total Committed	**$11,970.00**

What is in this letter?

Thank you for submitting your application for Funding Year 2026 Schools and Libraries Program (E-rate) funding. Attached to this letter, you will find the funding statuses for the FCC Form(s) 471, Services Ordered and Certification Form, that you submitted and referenced above.

The Universal Service Administrative Company (USAC) is sending this information to both the associated applicant(s) and the service provider(s) so that you can work together to complete the funding process.

Next Steps

1. Work with your service provider(s) to determine if your bills will be discounted or if you will request reimbursement from USAC after paying the full cost for the services you receive.

2. Review the Children's Internet Protection Act (CIPA) requirements and file the FCC Form 486 (Service Confirmation and CIPA Certification Form). **The deadline to submit this form is 120 days from the date of this letter or from the service start date (whichever is later).**

3. Invoice USAC

- **If you (the applicant) are invoicing USAC:** You must pay your service provider(s) the full cost for the services you receive and file the FCC Form 472, the Billed Entity Applicant Reimbursement (BEAR) Form, to invoice USAC for reimbursement of the discounted amount.

- **If your service provider(s) is invoicing USAC:** The service provider(s) must provide services, bill the applicant for the non-discounted share, and file the FCC Form 474, the Service Provider Invoice (SPI) form, to invoice USAC for reimbursement for the discounted portion of costs. Every funding year, service providers must file an FCC Form 473, the Service Provider Annual Certification Form, to be able to submit invoices and to receive disbursements.

- **To receive an invoice deadline extension, the applicant or service** provider must request an extension on or before the last date to invoice. **If you anticipate, for any reason, that invoices cannot be filed on time,** USAC will grant a one-time, 120-day invoice deadline extension if timely requested.

How to Appeal or Request a Waiver of a Decision

You can appeal or request a waiver of a decision in this letter **within 60 calendar days** of the date of this letter. Failure to meet this deadline will result in an automatic dismissal of your appeal or waiver request.

Note: The Federal Communications Commission (FCC) will not accept appeals of USAC decisions that have not first been appealed to USAC. However, if you are seeking a waiver of E-rate program rules, you must submit your request to the FCC and not to USAC. USAC is not able to waive the E-rate program rules.

- **To submit your appeal to USAC,** visit the Appeals section in the E-rate Productivity Center (EPC) and provide the required information. USAC will reply to your appeal submissions to confirm receipt. Visit USAC's website for additional information on submitting an appeal to USAC, including step-by-step instructions.

- **To request a waiver of the FCC's rules,** please submit it to the FCC in proceeding number CC Docket No. 02-6 using the Electronic Comment Filing System (ECFS). Include your contact information, a statement that your filing is a waiver request, identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

For appeals to USAC or to the FCC, be sure to keep a copy of your entire appeal, including any correspondence and documentation, and provide a copy to the affected service provider(s).

Obligation to Pay Non-Discount Portion

Applicants are required to pay the non-discount portion of the cost of the eligible products and/or services to their service providers. Service providers are required to bill applicants for the non-discount portion of costs for the eligible products and/or services. The FCC stated that requiring applicants to pay the non-discounted share of costs ensures efficiency and accountability in the program. If using the BEAR invoicing method, the applicant must pay the service provider in full (the non-discount plus discount portion) **before** seeking reimbursement from USAC. If using the SPI invoicing method, the service provider must first bill the applicant **before** invoicing USAC.

Notice on Rules and Funds Availability

The applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program and the FCC's rules. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake to assure that committed funds are being used in accordance with such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction of USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds.

Funding Commitment Decision Overview

Funding Year 2026

Application Comments for FCC Form 471: #261002465

The applicant did not submit any RAL corrections.

Funding Commitment Decision Overview

Funding Request Number (FRN)	Service Provider Name	Amount Requested	Amount Committed	Status
2699001849	GCI Communication Corp	$11,970.00	$11,970.00	Funded

FRN	**Service Type**	**Status**
2699001849	Data Transmission and/or Internet Access	Funded

Dollars Committed			
Monthly Cost		**One-time Cost**	
Months of Service	12		
Total Eligible Recurring Charges	$17,100.00	Total Eligible One Time Charges	$0.00

Total Pre-discount Charges	$17,100.00
Discount Rate	**70.00%**
Committed Amount	**$11,970.00**

Dates	
Service Start Date	**7/1/2026**
Contract Expiration Date	**6/30/2031**
Contract Award Date	11/13/2025
Service Delivery Deadline	6/30/2027
Expiration Date (All Extensions)	6/30/2041

Service Provider and Contract Information	
Service Provider	GCI Communication Corp
SPIN (498ID)	143001199
Contract Number	SA-847-05
Account Number	
Establishing FCC Form 470	260000558
Invoicing Method	Service Provider - FCC Form 474 (SPI Form)

Consultant Information	
Consultant Name	
Consultant's Employer	Department of Education and Early Development, State of Alaska
CRN	17035771

Funding Commitment Decision Comments

MR1: Approved as submitted.

E-Rate Funding by State

State	Funding 2021-2025
AK	$806,122,379
AL	$235,857,198
AR	$143,098,702
AS	$10,019,132
AZ	$344,444,704
CA	$1,755,223,575
CO	$135,018,283
CT	$116,362,213
DC	$39,363,685
DE	$25,811,725
FL	629,420,485
GA	$356,967,322
GU	$2,080,265
HI	$47,692,244
IA	$96,387,805
ID	$60,876,147
IL	$471,936,550
IN	$242,026,542
KS	$108,167,881
KY	$220,484,686
LA	$225,707,493
MA	$174,884,087
MD	$172,009,898
ME	$29,903,031
MI	$368,771,583
MN	$152,543,682
MO	$172,800,002
MP	$602,330
MS	$123,581,877
MT	$30,364,534
NC	$349,603,829
ND	$17,719,942
NE	$60,189,673
NH	$20,975,652
NJ	$281,275,377
NM	$175,717,274

State	Funding 2021-2025
NV	$147,828,490
NY	$808,095,139
OH	$378,856,250
OK	$240,106,676
OR	$127,845,635
PA	$330,085,183
PR	$163,302,127
RI	$25,420,826
SC	$229,810,083
SD	$26,689,346
TN	$442,364,161
TX	$1,208,571,615
UT	$91,992,169
VA	$255,968,686
VI	$6,276,539
VT	$19,629,074
WA	$204,002,479
WI	$174,498,750
WV	$88,678,844
WY	$21,115,073
Total	**$13,195,102,329**

Total Funding reflects E-Rate funds committed for schools and libraries with locations in the state for Funding Years 2021-2025.

Find this data and detailed Congressional District data at: SaveOurERate.com